

to the companies, which amounted to 449,600 francs, but the operation was so successful that sales through the agency of the bank were continued in 1859 and the bank charged a commission of 50 centimes for each obligation sold, deriving a premium of 440,000 francs from the transaction. Similar operations were continued for several years, with handsome profits to the bank and great benefit to the railways in placing their obligations and obtaining the necessary capital for construction.

The history of the Bank of France since 1870 is deeply colored by the national struggle with Germany. The bank lent its support to the government at the outset; it received the privilege of legal tender for its notes and the suspension of specie payments; it suffered from the ravages of the Commune, and it played a large part in the settlement of the great war indemnity. The management of the bank was prudent, and its credit suffered but slight impairment under the strain of national disaster and civil discord. The bank advanced 50,000,000 francs to the government on July 18, 1870, four days after hostilities were voted, secured by Treasury bonds running for three months. Other advances up to the close of the war carried the total to 1,470,000,000 francs (\$280,000,000). The suspension of specie payments was authorized on August 12th, with only one dissenting vote in the Chamber of Deputies. This step was not taken at the request of the bank, or because of any severe upon it for gold, but with the view of tying up the reserve for the benefit of the government in of military necessity.<sup>1</sup>

The restoration of specie payments in 1850 had

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companied by the removal of any limitation upon  
issues, which had gradually expanded with,  
increasing com  
mercial development to 1,439,000,000 francs  
in 1869. A limit of 1,800,000,000 francs was

by  
the law of August 12, 1870, which was raised  
two

later  
to 2,400,000,000 francs. Gold jumped to a  
premium of one and one half per cent., but the  
premium fell in a few days to

i Courtois, 258.